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EXTENSION OF WAIVER AUTHORITY UNDER THE TRADE ACT

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

NOTIFICATION OF A FURTHER EXTENSION OF THE WAIVER AUTHORITY UNDER THE TRADE ACT CONCERNING THE HUNGARIAN PEOPLE'S REPUBLIC AND THE PEOPLE'S REPUBLIC OF CHINA, PURSUANT TO 19 U.S.C. 2432 (c), (d)

JUNE 7, 1988.—Referred to the Committee on Ways and Means and ordered to be printed

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LETTER OF TRANSMITTAL

THE WHITE HOUSE,
Washington, June 3, 1988.

Hon. JIM WRIGHT,
Speaker of the House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: I hereby transmit the documents referred to in subsection 402(d)(5) of the Trade Act of 1974 with respect to a further 12-month extension of the authority to waive subsections (a) and (b) of section 402 of the Act. These documents constitute my decision to continue in effect this waiver authority for a further 12-month period.

I include as part of these documents my determination that further extension of the waiver authority will substantially promote the objectives of section 402. I also include my determination that continuation of the waivers applicable to the Hungarian People's Republic and the People's Republic of China will substantially promote the objectives of section 402. The attached documents also include my reasons for extension of the waiver authority, and for my determination that continuation of the waivers currently in effect for the Hungarian People's Republic and the People's Republic of China will substantially promote the objectives of section 402.

Sincerely,

RONALD REAGAN.

REPORT TO CONGRESS CONCERNING EXTENSION OF WAIVER AUTHORITY

Pursuant to subsection 402(d)(5) of the Trade Act of 1974 (hereinafter "the Act"), I have today determined that further extension of the waiver authority granted by subsection 402(c) of the Act for 12 months will substantially promote the objectives of section 402 and that continuation of the waivers currently applicable to the Hungarian People's Republic and the People's Republic of China will also substantially promote the objectives of section 402 of the Act. My determination is attached and is incorporated herein.

The general waiver authority conferred by section 402 of the Act is an important means for the strengthening of mutually beneficial relations between the United States and certain countries of Eastern Europe and the People's Republic of China. The waiver authority has permitted us to conclude and maintain in force bilateral trade agreements with Hungary, Romania, and the People's Republic of China. These agreements continue to be fundamental elements in our political and economic relations with those countries, including important exchanges on emigration and human rights matters. Granting of Most Favored Nation (MFN) status pursuant to these agreements gives U.S. companies the ability to compete in those markets. Moreover, continuation of the waiver authority would permit future expansion of our bilateral relations with other countries now subject to subsections 402 (a) and (b) of the Act, should circumstances permit. I believe that these considerations clearly warrant this renewal of the general waiver authority.

I continue to believe that extending the current waivers applicable to Hungary and the People's Republic of China will substantially promote the objectives of section 402 of the Act.

HUNGARY

Hungary has continued to take a relatively positive and constructive approach to emigration matters. Nearly all Hungarians who are eligible to apply to emigrate for purposes of family reunification receive permission to depart. During the past year there have been, in fact, no instances of refusal of emigration permission in family reunification cases. The American Embassy in Budapest issued 139 immigrant visas in 1987, considerably more than the number issued for 1986 (102). There have been no divided family cases since the spring of 1987, when the three cases brought to the Foreign Ministry's attention in January 1987 were resolved. Although there are some restrictions on emigration, there are no systematic official sanctions imposed on persons seeking to emigrate.

People's Republic of China

Although China's population will shortly exceed 1.1 billion persons, only 10 percent of the country's land area is suitable for farming. China's standard of living is low—per capita GNP was under $300 in 1987; urban overcrowding is endemic; and unemployment is a growing problem. In consequence, China faces exceptional challenges to adequately feed and house even its present population. Furthermore, birth rates have recently picked up again and are adding another 12–13 million people each year to the population. If present trends continue, China's population will exceed 1.25 billion by the year 2000. These circumstances contribute to the maintenance of a relatively open emigration policy. In addition, the Chinese Government, as part of its policies of economic reform and opening to the outside world, continues to encourage students, scientists, and industrial managers to travel to Western countries for training and orientation. The principal limitation on increased emigration appears not to be Chinese policy, but the ability and willingness of other nations to absorb Chinese immigrants.

China's relatively liberal policy on emigration is reflected in the steadily rising number of immigrant visas issued by our embassy and consulates in China since the normalization of relations in 1979. In Fiscal Year 1987, our China posts issued 16,263 immigrant visas (versus 14,051 in FY 1986) and 50,519 non-immigrant visas (versus 44,254 in FY 1986). This represents a rise of 16 percent for immigrants and 14 percent for non-immigrants. Non-immigrant visas were issued to Chinese who wished to study, conduct business, and visit relatives in the United States. Other Western countries continue to experience increases in Chinese travel and emigration.

For the above reasons, I have determined that continuation of the waivers for Hungary and the People's Republic of China will substantially promote the objectives of the Act.

Romania

Since Romania has renounced extension of Most-Favored-Nation tariff treatment by the United States conditioned on the requirements of section 402 of the Act, I am permitting the waiver for Romania to expire on July 3, 1988.

THE WHITE HOUSE,
Washington, June 3, 1988.

MEMORANDUM FOR THE SECRETARY OF STATE

Subject: Determination Under Subsection 402(d)(5) of the Trade Act of 1974—Continuation of Waiver Authority

Pursuant to the authority vested in me under the Trade Act of 1974 (Public Law 93-618), January 3, 1975 (88 Stat. 1978) (hereinafter "the Act"), I determine, pursuant to subsection 402(d)(5) of the Act, that the further extension of the waiver authority granted by subsection 402(c) of the Act will substantially promote the objectives of section 402 of the Act. I further determine that the continuation of the waivers applicable to the Hungarian People's Republic and the People's Republic of China will substantially promote the objectives of section 402 of the Act.

This determination shall be published in the *Federal Register.*

RONALD REAGAN.

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